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Oregon

John A. Kitzhaber, M.D., Governor

03-09-01A0

Division of State Lands
775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 378-3805
FAX (503) 378-4844
<http://statelands.dsl.state.or.us>

March 1, 2001

State Land BoardJohn A. Kitzhaber
GovernorBill Bradbury
Secretary of StateRandall Edwards
State Treasurer

JD02/7391
Robert Hrdlinka
Director, Marine
PORT OF PORTLAND
PO BOX 3529
PORTLAND OR 97208

Re: Beneficial Use of Dredged Material

Dear Mr. Hrdlinka:

On September 15, 2000, you submitted a cover letter with a permit application (RP-7391, renewal) that implied that the Port was planning to use dredged materials from Terminal 6 as fill materials for Port projects. Please be aware that the Port may be subject to royalties for any dredged material that is used in this way. According to OAR's:

141-014-0090***Activities Subject to Payment of Royalty***

Unless otherwise specifically exempted above, all material removed from state-owned submerged and submersible lands is subject to payment of royalty. Material originally exempt is subject to royalty if it is removed from the place deposited and sold or used as an article of commerce.

And:

(2) "Article of Commerce" is any state-owned material which is bought, sold, traded, or bartered for other goods or services, or is used for a beneficial purpose and which would otherwise have to be acquired from alternate sources (such as material used for the purpose of "surcharging").

Please call me at (503) 378-3805, ext. 279 if you have any questions about how to apply for a royalty license.

Sincerely,

Stephen J. Purchase
Assistant Director

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